

May 4, 2018

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BY EMAIL AND U.S. MAIL

Federal Election Commission
Audit Division
Mr. Kendrick Smith
1050 First Street, NE
Washington, DC 20002
Email: audit@fec.gov; ksmith@fec.gov

Re: Brian Higgins for Congress

Dear Mr. Smith:

On behalf of my client, Brian Higgins for Congress (the "Committee"), I write in response to the Interim Audit Report of the Audit Division (the "Report"). The Committee has cooperated fully with the auditors at all stages of the process.

This audit covered the Committee's activities for the 2016 election cycle. The Committee was then a small operation, with much of its work done by volunteers. The Committee has since engaged an experienced compliance consultant to handle its accounting and report preparation functions. At the same time, the Committee has also taken steps to bolster its compliance operations and established procedures for internal quality control. The Committee is prepared to take further remedial measures as circumstances require to ensure continued compliance.

The Report made two findings. First, the Report posits a misstatement of financial activity of beginning cash-on hand and ending cash-on hand during 2015 of \$36,151 and \$38,560, respectively and overstatements of beginning cash-on hand and ending cash-on hand during 2016 of \$38,560 and \$36,242, respectively. This cash discrepancy precedes the audit period and remained materially unchanged throughout that same period. The Committee has cooperated with the auditors to amend its reports and is filing amendments concurrently with this response.¹

Second, the Report posits the receipt of contributions in excess of the limits. During the initial audit fieldwork, the audit staff's review indicated that the Committee received apparent excessive contributions totaling \$41,424.² Before the issuance of the Report, the Committee resolved excessive contributions totaling \$36,024 by sending reattribution and redesignation

¹ See Interim Audit Report at 4.

² See *id.* at 5.

Federal Election Commission
May 4, 2018
Page 2

letters confirming the donors' intent.³ In the Report, the auditors recommend that the Committee provide documentation demonstrating that the remaining contributions were not excessive or, if excessive, were resolved in a timely manner. The "remaining contributions" were, in fact, a single \$5,400 check⁴ signed by both a husband and wife, but imprinted on the top with only the husband's name.⁵ The Committee has provided the auditors with a letter signed by the wife, affirming that the contribution represented her personal funds. We understand from your email dated April 23, 2018, that this documentation was sufficient to resolve the contribution, albeit untimely, and that no refund is necessary. Accordingly, the Committee has fully complied with the auditors' recommendations as to this finding.

The Committee is committed to continued compliance with the Federal Election Campaign Act of 1971, as amended. We appreciate the Commission's consideration of this response.

Very truly yours,



Brian G. Svoboda
Emma Olson Sharkey
Counsel to Brian Higgins for Congress

³ See *id.*

⁴ There appears to be an error in the Report indicating that an additional \$60 check was not correctly refunded. See *id.* at 7. We believe this refers to the check that was refunded to Richard Barnes on December 5, 2017. See Exit Conference Response, Exhibit D.

⁵ See Interim Audit Report at 7 ("these errors were the result of BHFC reattributing the excessive portion of contributions written on checks imprinted with a single account holder to another individual ...").